

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

October 31, 2002

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G.C. Limited Partners, L.P.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	5,824,344	(102,989)	(1,119,043)	10,284,334	540	(2,417,464)
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	5,824,344	(101,989)	(1,119,043)	10,284,334	540	(2,417,464)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	94,022	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 5,824,344	\$ (7,966)	\$ (1,119,043)	\$ 10,284,334	\$ 540	\$ (2,417,464)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(50)	-	(50)	(350)	(350)	(200)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(50)	-	(50)	(350)	(350)	(200)
Total Liabilities	(50)	-	(50)	(347)	(350)	(200)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,344	\$ (7,966)	\$ (1,119,043)	\$ 10,284,334	\$ 540	\$ (2,417,464)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

October 31, 2002

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G, Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,634)	(3,350,574)	(2,509,789)	900	(1,230,598)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,634)	(3,350,574)	(2,509,789)	900	(1,230,598)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,634)	\$ (3,350,574)	\$ (2,509,789)	\$ 900	\$ (45,727)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(519)	(50)	(150)	(50)	(15)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(519)	(50)	(150)	(50)	(15)
Total Liabilities	-	(519)	(50)	(150)	(50)	(15)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,634)	\$ (3,350,574)	\$ (2,509,789)	\$ 900	\$ (45,727)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
October 31, 2002

	W.R. Grace Land Corporation	G.C. Management Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,687	25,045	(73,001)	(12,559,318)	174,205	(19,464,242)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,687	25,045	(73,001)	(12,559,318)	174,205	(19,463,742)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,493	\$ 25,045	\$ (73,001)	\$ (12,559,318)	\$ 612,650	\$ (19,459,676)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Long-term debt - DIP facility	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	438,333	4,066
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(449)	-	(50)	(65)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(449)	-	(50)	(65)	-	-
Total Liabilities	(449)	-	(50)	(65)	438,333	4,066
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	25,045	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	25,045	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,493	\$ 25,045	\$ (73,001)	\$ (12,559,318)	\$ 612,650	\$ (19,459,676)

Note #3

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Combining Balance Sheet
MOR - 3
October 31, 2002

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC-Thomasville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,509	6,345,536	810,350	(59,581,362)	(100)	(86,661)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,479,509	6,345,536	810,350	(59,581,362)	(100)	(86,661)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,479,509	\$ 6,345,536	\$ 810,350	\$ (59,581,362)	\$ (100)	\$ (86,661)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(639)	(125)	(250)	(130)	(100)	(50)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(639)	(125)	(250)	(130)	(100)	(50)
Total Liabilities	(639)	(125)	(250)	(130)	(100)	(50)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,479,509	\$ 6,345,536	\$ 810,350	\$ (59,581,362)	\$ (100)	\$ (86,661)

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W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
October 31, 2002

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,759	4,389,672	(15,750,664)	5,297,049	875,419	(5,204)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,759	4,389,672	(15,750,664)	5,297,049	875,419	(5,204)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,846	\$ (9,746,053)	\$ (15,750,664)	\$ 5,297,049	\$ 875,419	\$ (5,204)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(59)	(50)	-	(150)	(250)	(150)
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(59)	(50)	-	(150)	(250)	(150)
Total Liabilities	(59)	(50)	-	(150)	(250)	(150)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,846	\$ (9,746,053)	\$ (15,750,664)	\$ 5,297,049	\$ 875,419	\$ (5,204)

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MOR - 3
October 31, 2002

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,190	130,478,268	145,501,866	(81,114,868)	47,407,856	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,190	130,478,268	145,501,866	(81,114,868)	47,407,856	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,190	\$ 130,478,268	\$ 145,501,866	\$ (81,114,868)	\$ 47,407,856	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	28,415,346	28,415,346	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	28,415,346	28,415,346	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(250)	874,850	874,950	(235)	(50)	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(250)	874,850	874,950	(235)	(50)	-
Total Liabilities	(250)	29,290,196	29,290,296	(235)	(50)	-
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,190	\$ 130,478,268	\$ 145,501,866	\$ (81,114,868)	\$ 47,407,856	\$ -

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MOR - 3
October 31, 2002

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclases
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	(8,474,469)
Deferred income taxes	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-
Other current assets	-	-	-	-	(8,474,469)
Total Current Assets	-	-	-	-	-
Properties and equipment, net	-	-	-	-	-
Goodwill, net	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	(267,820,355)
Deferred income taxes	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	(1,315,702,717)	34,504,711	-
Investment in filing and non-filing entities	-	-	(1,104,954)	-	-
Other assets	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ (1,316,807,671)	\$ 34,504,711	\$ (276,294,824)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	5,000,000
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	(19,174,469)
Other current liabilities	-	-	-	-	(14,174,469)
Total Current Liabilities	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	(267,820,355)
Deferred income taxes	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	(75,100,000)
Other liabilities	-	-	-	-	(357,094,824)
Total Liabilities Not Subject to Compromise	-	-	-	-	-
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities Subject to Compromise	-	-	-	-	(357,094,824)
Total Liabilities	-	-	-	-	-
Shareholders' Equity (Deficit)					
Preferred Stock	-	-	(86,493,960)	-	-
Common Stock	-	-	(1,192,373,672)	-	-
Paid in capital	-	-	(37,940,039)	85,219,052	75,100,000
(Accumulated deficit)/Retained earnings	-	-	-	-	-
Treasury stock, at cost	-	-	-	(50,714,341)	5,700,000
Accumulated other comprehensive loss	-	-	-	-	-
Total Shareholders' Equity (Deficit)	-	-	(1,316,807,671)	34,504,711	80,800,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,316,807,671)	\$ 34,504,711	\$ (276,294,824)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities**Combining Balance Sheet****MOR - 3****October 31, 2002**

	COMBINED FILING ENTITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 44,803,649
Notes and accounts receivable, net	123,885,863
Receivables from/(payables to) filing and non-filing entities, net	39,112,881
Inventories	76,325,462
Deferred income taxes	4,069,476
Asbestos-related insurance expected to be realized within one year	7,717,970
Other current assets	51,579,763
Total Current Assets	347,495,064
Properties and equipment, net	381,759,009
Goodwill, net	14,441,998
Cash value of company owned life insurance, net of policy loans	85,253,646
Deferred income taxes	505,059,215
Asbestos-related insurance expected to be realized after one year	274,943,452
Loans receivable from/(payable to) filing and non-filing entities, net	432,263,577
Investment in filing and non-filing entities	213,110,790
Other assets	305,399,605
Total Assets	\$ 2,559,726,357
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Liabilities Not Subject to Compromise	
Current Liabilities	
Short-term debt	\$ (0)
Accounts payable	30,805,358
Income taxes payable	5,000,001
Asbestos-related liability expected to be disbursed within one year	0
Other current liabilities	58,418,721
Total Current Liabilities	94,224,080
Long-term debt - DIP facility	(0)
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	(0)
Other liabilities	218,167,209
Total Liabilities Not Subject to Compromise	312,391,288
Liabilities Subject to Compromise	
Debt, pre-petition plus accrued interest	536,416,828
Accounts payable	32,099,260
Income taxes payable	246,228,354
Asbestos-related liability	975,417,904
Other liabilities	521,799,598
Total Liabilities Subject to Compromise	2,311,961,945
Total Liabilities	2,624,353,233
Shareholders' Equity (Deficit)	
Preferred Stock	112
Common Stock	772,288
Paid in capital	433,064,848
(Accumulated deficit)/Retained earnings	(87,667,559)
Treasury stock, at cost	(136,994,960)
Accumulated other comprehensive loss	(273,801,604)
Total Shareholders' Equity (Deficit)	(64,626,876)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,559,726,357

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 October 2002				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ 22,903	\$ 2,741,150	\$ (2,743,033)	\$ 21,020
FICA - Employee	11,272	1,247,309	(1,244,494)	14,087
FICA and payroll- Employer	1,994,642	1,247,577	(1,037,333)	2,204,886
Unemployment	-	10,387	(10,387)	-
Other	-	-	-	-
Total Federal Taxes	\$ 2,028,816	\$ 5,246,423	\$ (5,035,246)	\$ 2,239,993
State and Local				
Withholding	\$ (15,698)	\$ 1,006,022	\$ (1,006,023)	\$ (15,699)
Sales & Use	1,579,486	557,819	(448,682)	1,688,623
Property Taxes	2,393,425	370,584	(864,272)	1,899,737
Other	-	-	-	-
Total State and Local	\$ 3,957,213	\$ 1,934,425	\$ (2,318,977)	\$ 3,572,661
Total Taxes	\$ 5,986,029	\$ 7,180,848	\$ (7,354,223)	\$ 5,812,654

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 October 2002				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 13,881	\$ (20,698)	\$ (6,817)
FICA - Employee	-	3,354	(5,090)	(1,736)
FICA and payroll- Employer	84	3,354	(5,090)	(1,652)
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ 84	\$ 20,589	\$ (30,878)	\$ (10,205)
State and Local				
Withholding	\$ -	\$ 639	\$ (926)	\$ (287)
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 639	\$ (926)	\$ (287)
Total Taxes	\$ 84	\$ 21,228	\$ (31,804)	\$ (10,492)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc. Status of Postpetition Taxes MOR-4 October 2002				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ (2,288)	\$ 4,774	\$ (199)	\$ 2,287
FICA - Employee	(751)	233	518	-
FICA and payroll- Employer	(2,622)	233	(138)	(2,527)
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ (5,661)	\$ 5,240	\$ 181	\$ (240)
State and Local				
Withholding	\$ 1,425	\$ 892	\$ (2,317)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ 1,425	\$ 892	\$ (2,317)	\$ -
Total Taxes	\$ (4,236)	\$ 6,132	\$ (2,136)	\$ (240)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc. Status of Postpetition Taxes MOR-4 October 2002				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 October 2002				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(151)	968	(775)	42
FICA and payroll- Employer	2,528	968	(678)	2,818
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ 2,377	\$ 1,936	\$ (1,453)	\$ 2,860
State and Local				
Withholding	\$ (32)	\$ 1,650	\$ (1,618)	\$ -
Sales & Use	-	-	-	-
Property Taxes	111,533	44,849	(0)	156,382
Other	-	-	-	-
Total State and Local	\$ 111,501	\$ 46,499	\$ (1,618)	\$ 156,382
Total Taxes	\$ 113,878	\$ 48,435	\$ (3,071)	\$ 159,242

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
October 2002

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 116,229,939
Amounts billed during the period	75,640,731
Amounts collected during the period	(81,128,378)
Other	3,106,380
Trade accounts receivable at the end of month, gross	\$ 113,848,672

Trade Accounts Receivable Aging

Current	\$ 79,061,824
1-30 days past due	23,911,561
31-60 days past due	7,307,418
+61 days past due	3,567,869
Trade accounts receivable, gross	113,848,672
Allowance for doubtful accounts	(1,561,057)
Trade accounts receivable, net	\$ 112,287,615

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 112,287,615
Customer notes and drafts receivable	697,293
Pending customer credit notes	(100,391)
Advances and deposits	5,551,922
Nontrade receivables, net	2,637,123
Total notes and accounts receivable, net	\$ 121,073,562

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 October 2002	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	190,041
Total notes and accounts receivable, net	\$ 190,041

Chart 6

Darex Puerto Rico, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
October 2002

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 2,396,967
Amounts billed during the period	626,828
Amounts collected during the period	(437,491)
Other	18,762
Trade accounts receivable at the end of month, gross	\$ 2,605,066

Trade Accounts Receivable Aging

Current	\$ 1,502,451
1-30 days past due	368,288
31-60 days past due	291,089
+61 days past due	443,238
Trade accounts receivable, gross	2,605,066
Allowance for doubtful accounts	(50,443)
Trade accounts receivable, net	\$ 2,554,623

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 2,554,623
Customer notes and drafts receivable	-
Pending customer credit notes	(11,061)
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 2,543,562

Chart 6

Grace Europe, Inc. Accounts Receivable Reconciliation and Aging MOR-5 October 2002	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	78,699
Total notes and accounts receivable, net	\$ 78,699

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 October 2002		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide an explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Statement of Operations

<i>Amounts in millions</i>	Month Ended October 31, 2002	Year to Date October 31, 2002	Cumulative Since Filing
Net sales to third parties	\$ 76.2	\$ 724.2	\$ 1,388.0
Net sales to non-filing entities	10.6	113.4	218.3
Interest and royalties from non-filing entities	2.6	33.9	68.3
Other income	(0.4)	14.9	26.7
	89.0	886.4	1,701.3
Cost of goods sold to third parties	48.0	451.9	857.1
Cost of goods sold to non-filing entities	7.7	81.8	156.6
Selling, general and administrative expenses	21.5	218.4	377.8
Research and development expenses	3.9	35.3	65.9
Depreciation and amortization	5.1	51.0	94.4
Interest expense	1.5	16.3	43.2
	87.7	854.7	1,595.0
Income before Chapter 11 reorganization expenses, income taxes and equity in net income of non-filing entities	1.3	31.7	106.3
Chapter 11 reorganization expenses, net	(5.0)	(26.4)	(39.1)
Provision for income taxes	0.8	(19.1)	(53.4)
Equity in net income of non-filing entities	5.7	64.2	100.5
Net income	\$ 2.8	\$ 50.4	\$ 114.3

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Functional Basis Statement of Cash Flows

<i>Amounts in millions</i>	Month Ended October 31, 2002	Year to Date October 31, 2002	Cumulative Since Filing
<u>Core operations cash flow</u>			
Pre-tax income from core operations	\$ 4.5	\$ 67.0	\$ 176.4
Depreciation and amortization	5.1	51.0	94.3
	9.6	118.0	270.7
Changes in all core assets/liabilities and other	5.8	2.8	2.9
Net increase in accounts receivable due to termination of the securitization program	-	-	(64.8)
	(5.4)	120.8	208.8
Capital expenditures	(6.9)	(48.2)	(75.6)
Core Pre-tax Operating Cash Flow	8.5	72.6	133.2
<u>Charges against core reserves</u>			
Restructuring costs	-	-	-
Pension liabilities	(0.4)	(3.6)	(7.7)
Deferred compensation	-	(0.9)	(2.9)
Self insurance	(0.2)	(0.5)	(1.4)
Total Spending Against Core Reserves	(0.6)	(5.0)	(12.0)
Core Cash Flow	7.9	67.6	121.2
<u>Noncore cash flow</u>			
Proceeds from asset sales	-	2.0	4.9
Benefit proceeds under life insurance policies	2.3	16.1	25.2
Other noncore pretax cash flow	(0.2)	1.7	(0.3)
Noncore Pre-tax Cash Flow	2.1	19.8	29.8
<u>Charges against noncore reserves</u>			
Asbestos			
Asbestos claims processing	(2.7)	(10.9)	(17.4)
Less - insurance recovery	-	10.8	57.9
Net asbestos (payments) receipts	(2.7)	(0.1)	40.5
Environmental remediation	(1.4)	(15.9)	(34.7)
Retained obligations and other	0.3	(2.9)	(8.0)
Postretirement benefits	(0.2)	(17.9)	(34.6)
Total Spending Against Noncore Reserves	(4.0)	(36.8)	(36.8)
Noncore Cash Flow	(1.9)	(17.0)	(7.0)
Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow	6.0	50.6	114.2
Cash paid for taxes, net of refunds	(1.0)	(2.1)	(4.4)
Cash paid for interest	(0.5)	0.3	(2.3)
Chapter 11 reorganization expenses paid	(4.2)	(17.5)	(24.1)
Cash Flow before Strategic Investments	0.3	31.3	83.4
<u>Strategic Investments</u>			
Cash paid for businesses acquired	-	(4.0)	(4.0)
Proceeds from option exercises	-	-	-
Repurchase of treasury stock	-	-	(0.6)
Cash used for Strategic Investments	-	(4.0)	(4.6)
Cash Flow after Strategic Investments	0.3	27.3	78.8
Borrowings (repayments) under DIP facility	-	-	(2.8)
Net (investing)/financing activities under life insurance policies	(0.1)	(20.5)	(39.8)
Net Cash Flow	\$ 0.2	\$ 6.8	\$ 36.2

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
Amounts in millions	October 31, 2002	December 31, 2001	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 44.8	\$ 38.0	\$ 8.6
Notes and accounts receivable, net	123.9	128.2	43.8
Receivables from non-filing entities, net	39.1	33.8	51.2
Inventories	76.3	83.9	80.6
Deferred income taxes	4.1	17.1	80.9
Asbestos-related insurance expected to be realized within one year	7.7	9.7	17.0
Other current assets	51.6	51.8	21.9
Total Current Assets	347.5	362.5	304.0
Properties and equipment, net	381.8	384.9	400.4
Goodwill, net	14.5	13.9	13.6
Cash value of life insurance policies, net of policy loans	85.3	75.6	64.1
Deferred income taxes	505.1	502.6	401.0
Asbestos-related insurance expected to be realized after one year	274.9	283.7	323.4
Loans receivable from non-filing entities, net	432.3	388.0	387.5
Investment in non-filing entities	213.2	159.1	121.0
Other assets	305.4	325.7	308.5
Total Assets	\$ 2,560.0	\$ 2,496.0	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	1.6	-
Accounts payable	30.8	32.8	-
Income Taxes Payable	5.0	-	-
Other current liabilities	58.6	61.7	-
Total Current Liabilities	94.4	96.1	-
Debt payable after one year	-	-	-
Other liabilities	218.1	228.0	31.8
Total Liabilities Not Subject to Compromise	312.5	324.1	31.8
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	536.4	524.5	511.5
Accounts payable	32.1	31.7	43.0
Income taxes payable	246.2	216.6	210.1
Asbestos-related liability	975.4	996.3	1,002.8
Other liabilities	521.9	544.5	598.6
Total Liabilities Subject to Compromise	2,312.0	2,313.6	2,366.0
Total Liabilities	2,624.5	2,637.7	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	433.0	433.0	432.6
Accumulated deficit	(87.4)	(137.8)	(201.8)
Treasury stock, at cost	(137.0)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(273.9)	(300.7)	(169.5)
Total Shareholders' Equity (Deficit)	(64.5)	(141.7)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,560.0	\$ 2,496.0	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.